EXHIBIT 2

1 Jason Sheasby SBN 205455 jsheasby@irell.com 2 **IRELL & MANELLA** 1800 Avenue of the Stars, Suite 900 3 Los Angeles, California 90067-4267 ALAMEDA COUNTY Telephone: (310) 277-1010 4 Facsimile: (310) 203-7199 MAY 10 2021 5 Elizabeth M. Locke, P.C. (pro hac vice to be CLERK OF THE SUPERIOR COURT filed) libby@clarelocke.com 6 Daniel P. Watkins (pro hac vice to be filed) daniel@clarelocke.com 7 CLARÉ LOCKE LLP 10 Prince Street 8 Alexandra, VA 22314 Telephone: (202) 628-7400 Facsimile: (202) 478-0475 10 Attorneys for Plaintiff Kytch, Inc. 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 FOR THE COUNTY OF ALAMEDA 13 14 KYTCH, INC., 15 Plaintiff, 16 ٧. FOR JURY TRIAL 17 JONATHAN TYLER GAMBLE; J.L. GAMBLE 1. Breach of Contract MANAGEMENT LLC DBA MCDONALD'S; TFGROUP LLC; AND TAYLOR 19 COMMERCIAL FOODSERVICE, LLC DBA TAYLOR COMPANY, 20 Defendants. 21 22 23 24 25 26 27

Case No. RG 21099155

COMPLAINT FOR DAMAGES, INJUNCTIVE RELIEF AND DEMAND

- 2. Tortious Interference of Contract
- 3. Misappropriation of Trade Secrets

[Filed Concurrently with Plaintiff's Ex Parte Application for TRO, OSC and Related Notice of Lodging Conditionally Under Seal]

PUBLIC - REDACTS MATERIALS FROM CONDITIONALLY SEALED RECORD

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PRELIMINARY STATEMENT¹

- 1. This is a case about corporate espionage and the extreme steps one manufacturer has taken to conceal and protect a multimillion-dollar repair racket.
- 2. McDonald's is best known for its world-famous burgers, fries, and broken ice cream machines.

McDonald's @McDonalds · Aug 11, 2020

we have a joke about our soft serve machine but we're worried it won't work

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- 3. Despite McDonald's Corp. poking fun at its problematic machines, this is no laughing matter to the McDonald's franchise operators forced to shoulder the expensive maintenance and repair costs when the machines are out of commission.
- 4. Back in 2003, McDonald's gave an effective monopoly to manufacturing giant Taylor Company ("Taylor") to provide soft-serve machines for its approximate 14,000 retail locations in the United States. The problem is Taylor designed its software so that only Taylorcertified technicians can service and repair the machines. Taylor's own documents confirm that in 2017 alone, 6,500 Taylor-certified technicians brought in almost \$80 million in revenue for parts and service support.²
- 5. This may explain why Taylor has failed to identify a global solution to fix the buggy machines. Especially in light of the fact that McDonald's customers across the country have taken to Twitter and other social media platforms to complain about the machines. One customer expressed that he was unwilling to go to McDonald's because, "I can't deal with disappointment of [the] ice cream machine being broken today."³

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¹ Kytch pleads the following recitals with knowledge of its own conduct and on information and belief of the behavior of Defendants.

² The Middleby Corporation: Taylor Acquisition Overview, (May 18, 2018), https://middlebycorporation.gcs-web.com/static-files/5bd70207-96b1-48bd-a4a2-70dce00a247a.

Bakari Sellers (@Bakari Sellers), Twitter (April 16, 2021, https://twitter.com/Bakari Sellers/status/1383143104941801474?s=20.

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It's been a long week. I'm about to go sit at @Wendys and dip my fries in a Frosty.

I would go to McDonalds but I can't deal with disappointment of ice cream machine being broken today.

3:39 PM · Apr 16, 2021 · Twitter for iPhone

02 Retweets 92 Quote Tweets 11.2K Like

- 6. For almost two decades, it appeared that Taylor's broken machines would never be fixed. Until a small California tech startup called Kytch, Inc. cracked the code in April 2019. During product testing and development, Kytch used a proprietary combination of hardware, software and machine learning to demystify the finicky machines.
- 7. Kytch soon uncovered a repair racket whereby Taylor designed flawed code that caused the machines to malfunction. Whether Taylor intentionally designed these flaws or merely did not care enough to ensure bug-free code will become clear during discovery. Either way, Taylor's web of partners profited millions in repair fees for the malfunctions that it manufactured.
- 8. A number of Taylor's customers at McDonald's have reported that Taylor's technicians made unauthorized changes to software that frequently resulted in expensive—and otherwise unnecessary—repairs.
- 9. To maintain its lucrative repair and service market, Taylor employs a hidden "Technician's Menu" to conduct even basic maintenance on the machine. Until Kytch entered the marketplace, only Taylor-certified technicians had the tools and know-how to navigate the machines' volatile operations and software.
- 10. That changed when Kytch launched its flagship device Kytch Solution in spring 2019 as part of a confidential product trial to limited fast-food restaurants. Kytch spent years developing a trade secret man-in-the-middle technology to unlock the cryptic machines ("Kytch Solution Device"). Kytch also designed an online system ("Kytch Solution Platform") for its customers to

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manage and monitor their machines.⁴ The Kytch Solution Platform is equipped with a user-friendly interface to finally simplify the difficult Taylor machines that were designed to fail.

- 11. Kytch originally agreed to provide its top-secret technologies and user interface to trial participants under strict non-disclosure and non-use agreements (the "Kytch Trial Agreement" and "Terms of Service"). The Kytch Trial was an overnight sensation, and media outlets reported on the innovative technology that promised to reduce the machines' downtime and to consistently deliver more frozen treats to McDonald's customers.
- Because Kytch Solution reduces the need for Taylor service technicians to repair the 12. machines, Kytch's leadership was not surprised when Taylor attempted to obtain the Kytch Solution. First, one of Taylor's distribution managers tried to purchase a device, but Kytch's security protocol flagged and blocked the purchase. Then, a lawyer employed by Taylor's outside counsel attempted to purchase the Kytch Solution. Kytch blocked this second attempt. After that, two private investigators associated with Taylor used aliases and dummy email addresses to get their hands on the device. Once again, Kytch canceled the orders.
- 13. As Kytch's product trial expanded in 2020, it became the largest independent IoT/connectivity software vendor for the shake machine in the McDonald's system. By all appearances, the Kytch Solution Device modernized the outdated soft-serve machines that had frustrated customers for years.
- Based on this rapid growth, Kytch built a reputation as an emerging leader in the fast-growing IoT industry. Kytch was barreling towards a \$50 million valuation, and the company kicked off a \$10 million Series A fundraising round in October of 2020.
- 15. But everything changed after Tyler Gamble⁵ (a major McDonald's franchisee and leader of the group that works to introduce new products into McDonald's restaurants) enrolled in the Kytch Trial.

⁴ The Kytch Solution Device and the Kytch Solution Platform are referred to collectively as "Kytch Solution."

⁵ J.L. Management Group and Jonathan "Tyler" Gamble are referred to collectively as "Gamble" and "Tyler Gamble."

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- 16. Gamble approached Kytch and explained that he was the head of McDonald's Equipment Team, the committee responsible for recommending new products to McDonald's Corp.
- 17. At first, Gamble appeared to support Kytch's mission; Gamble even indicated that he would push McDonald's to purchase Kytch Solution Device for all of its U.S. locations.
 - 18. Kytch is informed and believes this was a ruse.
- 19. In reality, Kytch is informed and believes that Gamble was working hand-in-hand with Kytch's competitor Taylor to steal Kytch's trade secrets. As part of this unlawful scheme, Gamble breached the Kytch Trial Agreement and Terms of Service last summer by soliciting Kytch's most sensitive information, only to share it with Taylor through one of its distributors.
- 20. Kytch is informed and believes that Taylor's distributor shared Kytch's trade secrets with the manufacturing giant to enable Taylor to monitor Kytch's development. With insider access to Kytch's trade secret information, Taylor could stay one step ahead of Kytch's diagnostic capabilities.
 - 21. On November 1, 2020, Kytch sent a message to Gamble (and no one else)
- 22. Kytch is informed and believes that news of Kytch's operating system led to Taylor's decision to launch its own competing device rapidly to preserve its repair racket.
- 23. In mid-April, a Taylor spokesperson went on the record admitting that a distributor had obtained at least one Kytch Solution Device. Taylor has also failed to deny that, months earlier, its outside counsel and private investigators had used faked names to try to get their hands on Kytch Solution Device.

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	24.	Tyler Gamble knew he was acting improperly. In February 2021, Tyler Gamble and
his	father trie	ed to delete the electronic invitations they sent out to unauthorized third parties
pro	viding acc	ess to the Kytch Solution Platform.
	25.	These uses of Kytch's confidential information were unauthorized, they have cos

- Kytch untold millions of dollars, and they will certainly cause Kytch further damage in the future. Defendants have also been unjustly enriched through violating contractual obligations and by exploiting Kytch's confidential information.
 - 26. Defendants' conduct has come close to destroying Kytch.
- 27. Accordingly, Defendants must make Kytch whole for the damage caused by their unlawful conduct, and the Court should, as required by the Kytch Trial Agreement and the Terms of Service, enjoin them from further using Kytch's confidential information and trade secrets.

THE PARTIES

- 28. Plaintiff Kytch, Inc. is a Delaware corporation with its principal place of business in Alameda County, California. Kytch is a subsidiary of Frobot, Inc.
- 29. Defendant Jonathan "Tyler" Gamble operates ten McDonald's restaurants in Tennessee and Mississippi. Gamble is an independent franchise owner, and he serves as the Equipment Team Lead for McDonald's National Supplier Leadership Council.⁶ He owns and operates McDonald's restaurants through Defendant J.L. Gamble Management LLC, DBA McDonald's. Tyler Gamble and J.L Gamble Management LLC are collectively referred to as "Tyler Gamble" and "Gamble."
- 30. Gamble enrolled in the Kytch Trial after executing the binding Kytch Trial Agreement and after representing that he and his company would not use Kytch's trade secrets to "build or support, and/or assist a third party in building or supporting products or services competitive" to Kytch. (Kytch Terms of Service, § 1(g).)
- 31. The Kytch Trial Agreement incorporates Kytch's binding Terms of Service, and those provisions, among other things, prohibit Gamble from "providing unauthorized access or

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⁶ This complaint refers to the National Supply Leadership Council as the "NSLC," and the NSLC's Equipment Team as the "McDonald's Equipment Team."

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⁷ Copies of the Kytch Trial Agreement and the Terms of Service that bind Gamble are attached as Exhibit A.

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To Protect the Company's Trade Secrets and Confidential Information, Kytch's Trial Agreement Contains Non-Disclosure and Non-Use Provisions.

- 41. Kytch's data-driven product testing ultimately yielded next-generation IoT technology that cemented the company's status as a leader in the industry.
- 42. Through years of development and \$1.3 million of effort, Kytch has built expertise, proprietary insights, diagnostic tools, and notification systems for the growing "smart kitchen" marketplace.
- 43. In February 2020, Tyler Gamble first contacted Kytch and asked to enroll in the Kytch Trial. Because one of Kytch's key strategic advantages lies in its proprietary information, Kytch required Gamble to enter into a non-disclosure agreement to protect Kytch's trade secrets and confidential information. Gamble executed the Kytch Trial Agreement (the "NDA") on March 19, 2020.8

03 / 19 / 2020 This Agreement is effective as of 2020 (the "Effective Date"), by and between: Tyler Gamble

⁸ The NDA refers to the Kytch Trial Agreement and the Terms of Service incorporated in that document.

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- 44. The NDA reflects the fundamental nature of Kytch's and Gamble's business relationship. Kytch is in the midst of developing its solution to the broken machines with the need to collect more data for the Kytch Trial. Gamble is in charge of identifying new and innovative products for McDonald's, and the ice cream machines in his ten stores were constantly breaking down.
- 45. Gamble sought out Kytch's data-driven approach to fixing the machines. Kytch, on the other hand, needed to make sure that one of its chief assets—its innovative hardware and software were protected from competitors.
- 46. Kytch would never just give away its trade secrets for free or so that Gamble could use them for his benefit, much less to benefit Kytch's competitors in the rapid-paced IoT industry. The NDA memorializes how the parties came together around these competing interests: Gamble was obligated and agreed to keep confidential the information and devices Kytch provided, and he could use it only in furtherance of the Kytch Trial.
- The NDA specifically states that "Kytch may seek injunctive or other equitable relief 47. · to protect its confidential information . . . without the need to post bond or other surety." (Terms of Service § 15(c).)
- 48. With these contractual protections in place, Kytch gave Gamble access to a substantial amount of proprietary information and confidential documents. Kytch also sent several Kytch Solution Devices—each protected by the NDA—for Gamble to use at his McDonald's locations for one purpose: to support and further the Kytch Trial.
- 49. Kytch shared its confidential and proprietary hardware and software designs with Gamble. As explained further below, Kytch is informed and believes that Gamble betrayed Kytch, and his contractual obligations, when he used Kytch's own confidential information to compete against the company. This has caused irreparable harm to Kytch.
- 50. Kytch required that this information be protected with the NDA because this confidential information is at the heart of Kytch's business model and is what sets it apart from its competitors, specifically Taylor Group.

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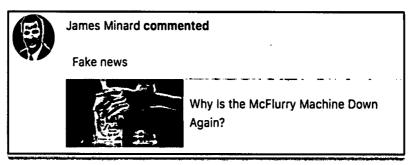
- 51. Kytch's proprietary materials offer a roadmap for a strategy that has never before been attempted in the soft-serve machine industry: using man-in-the-middle technology to communicate with the finicky machines and to stabilize volatile software, all while providing realtime notifications to customers. This offering reduced the need for restaurant operators to pay costly repairs fees to Taylor Group.
- Kytch introduced the industry to the revolutionary notion that these industrial 52. machines should be controlled by the restaurant owners and artificial intelligence, and that by demystifying the complicated machines and reducing the need for costly service technicians, Kytch could save its customers millions of dollars in recaptured revenue and reduced overhead. Kytch's cohesive strategy promises enormous returns, far in excess of current outputs from Taylor's technology.
- 53. Successfully executing this strategy would require a combination of innovative thinking, expertise in the fast-food industry, and sensitivity to customer needs, together with a willingness to invest significant time and resources into creating the analyses and conducting the product testing to turn the strategy into a thriving business. Since its inception, Kytch has invested time and effort building out, in painstaking detail, the Kytch Solution Device and the Kytch Solution Platform.

Taylor's Ice Cream Machines Are Notorious for Always Breaking Down.

- 54. The majority of McDonald's restaurants are equipped with Taylor Model C602 softserve machines. This model is not available for purchase by the general public.
- 55. Although Taylor occupies a substantial share of the market, its machines have been described as unreliable and "notorious for constantly breaking down."
- 56. The machines' reputation for breaking led *The Wall Street Journal* to explain in a recent story that "[t]he interruption in ice cream, milkshake, and McFlurry service is so widespread that it has spawned an avalanche of social media complaints in the U.S. and abroad—and conspiracy theories."
- 57. In response to the criticism, Taylor has tried to deflect responsibility despite widespread complaints across the world. Taylor's COO James Minard has referred to news

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coverage about the machine malfunctions as "Fake news," in what appears to be an attempt to discredit *The Wall Street Journal's* headline bearing the question, "Why is the McFlurry Machine Down Again?"



- 58. The ridicule McDonald's has received from the media because of the defective ice cream machines is more serious than the whimsical headlines suggest because some of the problems have alarming public health implications.
- 59. A recent study conducted by Dateline, for example, assessed the cleanliness of top fast-food chains, including McDonald's. According to that NBC News report, "[m]ore than 120 people were sickened after eating ice cream at their local McDonald's."

More than 120 people were sickened after eating ice cream at their local McDonald's. The health department says the restaurant's dairy mixture somehow was contaminated with staphylococcus, and a mechanical malfunction in the soft serve machine allowed the bacteria to grow. So many people became so ill, so quickly, the director of the local emergency room told me he at first thought there was some kind of bioterrorism incident in the town.

60. Kytch's analysis of its customer data revealed that a critical mass of Taylor's machines was equipped with a manual switch designed to bypass mandatory pasteurization and brush cleanings.

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⁹ Jack Cloherty, Dirty Dining: The investigation NBC News producer Jack Cloherty shares the story behind Dateline's cleanliness survey of top fast food chains, NBC News (Mar. 10, 2005), https://www.nbcnews.com/id/wbna7149927.

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27 28 of public health agency and food safety regulations. Indeed, for years, Taylor's service manuals contained step-by-step instructions to bypass the regulations. 10

- 61. Despite these issues, and in complete disregard of state and county inspection reports confirming that Taylor's machines breach safety protocols, Taylor's pattern of denialism continued for years.
- 62. But any remaining plausibility to Taylor's denial campaign evaporated after a software engineer launched www.McBroken.com to compile statistics reflecting the number of McDonald's ice cream machines that are out of commission at any moment.
- 63. At the time of this writing, McBroken.com reports that more than 11% of the softserve machines at McDonald's restaurants in the United States are out of service. These machine outages have cost franchise operators millions of dollars in lost revenue.
- 64. Consequently, McDonald's franchisees have gone on record to explain that Taylor's "machines are temperamental and expensive to repair." McDonald's franchisees have also reported that some of the software updates installed by Taylor technicians cause even more glitches and expensive outages.

Kytch's Product Testing Reveals that Defects Were Built-in to Taylor's Machines.

- 65. Kytch's approach to fixing the problematic Taylor machines has always been a datadriven, iterative process that relies on the collection and analysis of large amounts of data.
- 66. Before launching Kytch, founders Jeremy O'Sullivan and Melissa Nelson started Frobot, Inc. back in 2011. Frobot is a fully robotic frozen yogurt dispenser that produces made-toorder frozen confections. Frobot is designed to interact with soft-serve machines made by Taylor.
- 67. Through that venture, Frobot informed Taylor's leadership about its device that promised to augment the capabilities of Taylor's machines, including automation and increasing safety offerings.

¹⁰ Many Taylor machines have a jumper placed on the W2 pins on the rear of the machine that disables necessary safety mechanisms. Taylor has been aware of this hazard for years but has taken no action to correct this defect. This violates NSF International's food safety requirements and may endanger consumers.

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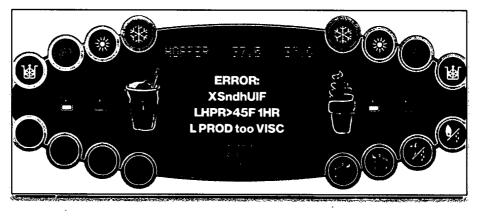
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- 68. This innovation required years of product development and additional safety testing given that the process involves serving dairy products to the general public. Taylor's response to Frobot's prototype was positive, and years—and hundreds of thousands of dollars—of product development followed.
- 69. Frobot had a small fleet of Taylor machines, and Nelson and O'Sullivan soon learned that the only way to keep the machines up and running is through frequent and expensive service visits.
- 70. After only a few months of gathering data, it became clear to Kytch that Taylor's machines were not very robust, and the finicky software was constantly causing outages.
- 71. Kytch was founded in 2018 as a subsidiary of Frobot, and its original purpose was a safety add-on to the automated soft-serve machines. In contrast to Frobot's focus on automation capabilities, Kytch focused on data and software to optimize the soft-serve machines and reduce outages.
- 72. The Kytch Solution officially launched in July 2019 at Tesla's factory in Lathrop, California, before expanding to fast-food restaurants in the broader San Francisco area a short time later.
- 73. Kytch learned that Taylor machines are designed to prohibit users from accessing the fulsome "Technician's Menu" that operates the machines. Taylor's menu contains confusing messages that leave McDonald's franchisees frustrated and unable to operate the machine, causing them to "call the technician" for even minor problems with their Taylor machines. One example of Taylor's cryptic error messages is below.



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Kytch's Innovative Technology, Trade Secrets, and Confidential Information

- 74. Kytch's flagship invention is known as the Kytch Solution Device: powered by a tiny Raspberry Pi computer with software to understand the communication between the machine's logic board and interface system.
- 75. There is nothing like the Kytch Solution Device on the market, and the ability of a competitor to access and test the device would allow the competitor to obtain an extraordinary head start in the creation of a competitive device.
- 76. The Kytch Solution Device is an easy-to-install device that can be bolted on the soft-serve machines. When mounted on the machine and connected to Kytch's software and online platform, Kytch's IoT technology and data retrieval processes enable restaurant operators to see exactly what is going on with their machines. Kytch's intensive data-analytics and automated processes work in tandem to optimize machine performance, and Kytch can actually detect errors in the machines and notify users in real-time before the machines malfunction.
- 77. When the Kytch Solution is connected to the internet, the software sends messages to www.Kytch.com.
 - 78. The Kytch Solution is depicted below in the "Kytch Kit."



79. The Kytch Solution works with custom-made

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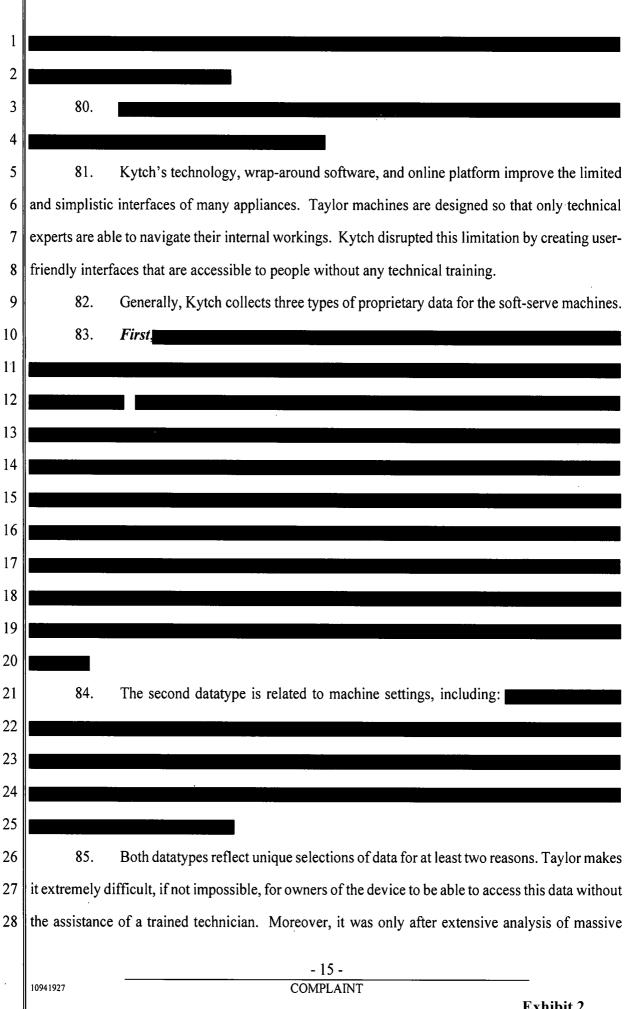
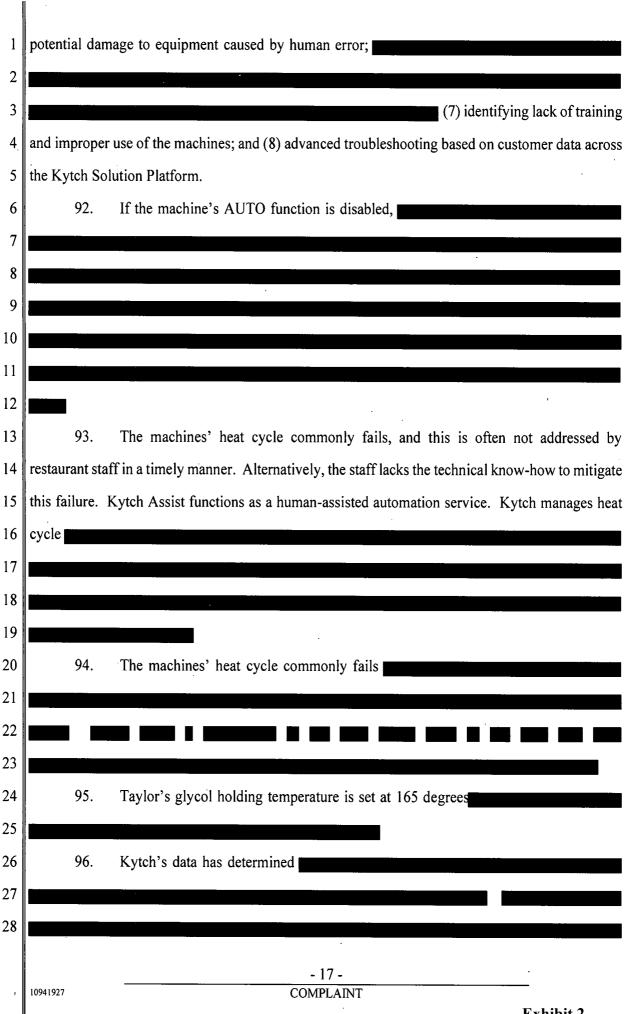
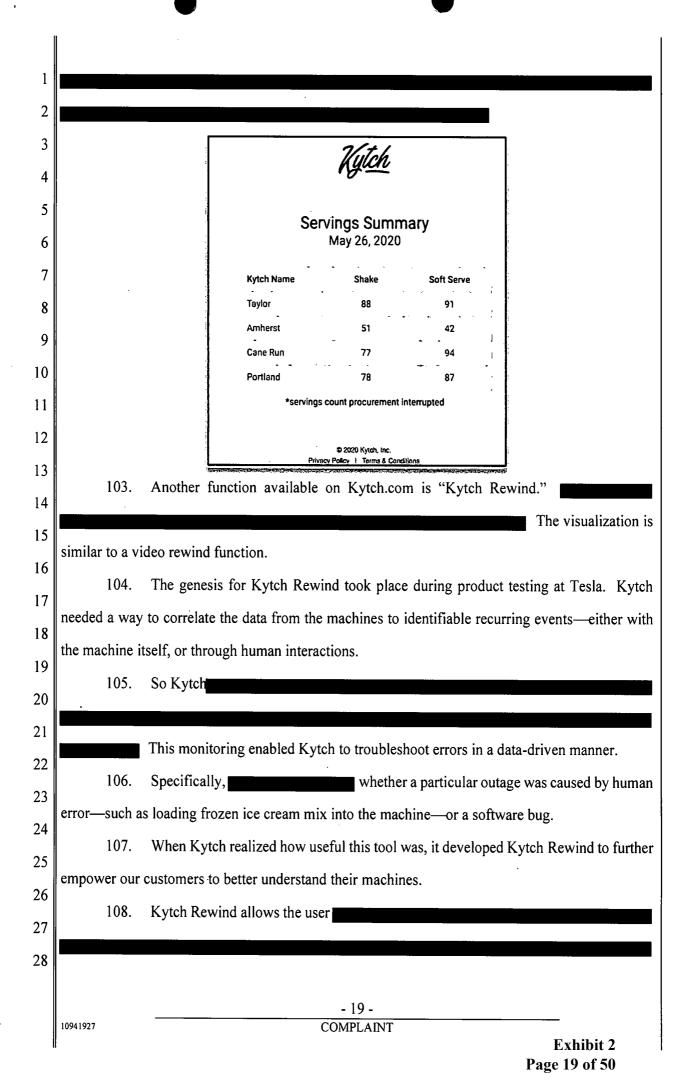
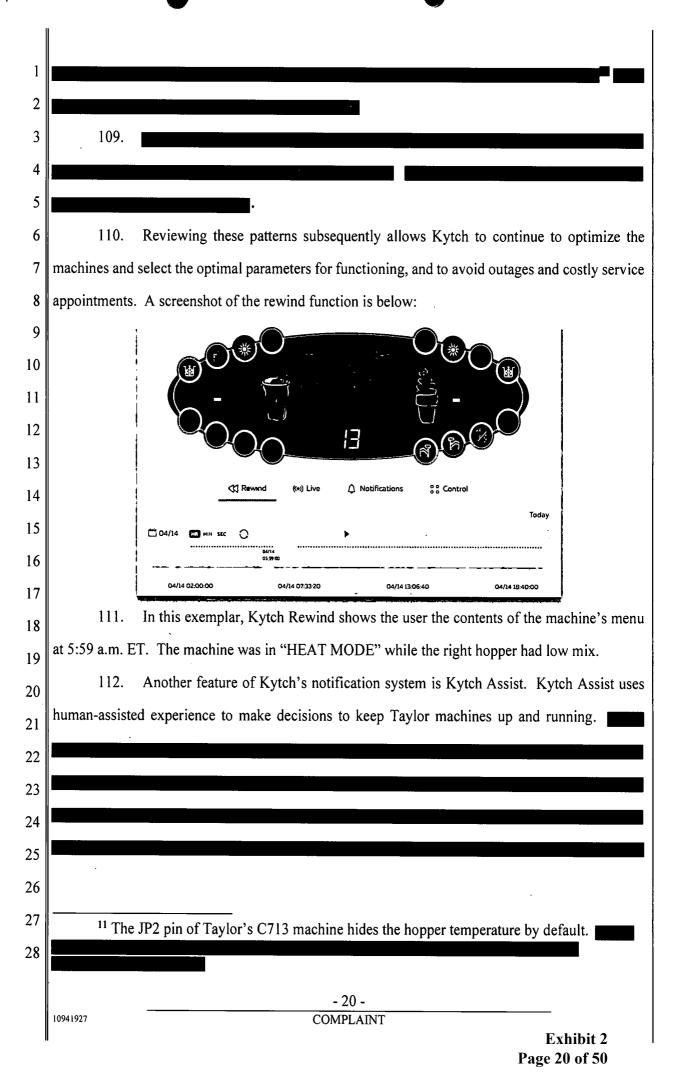


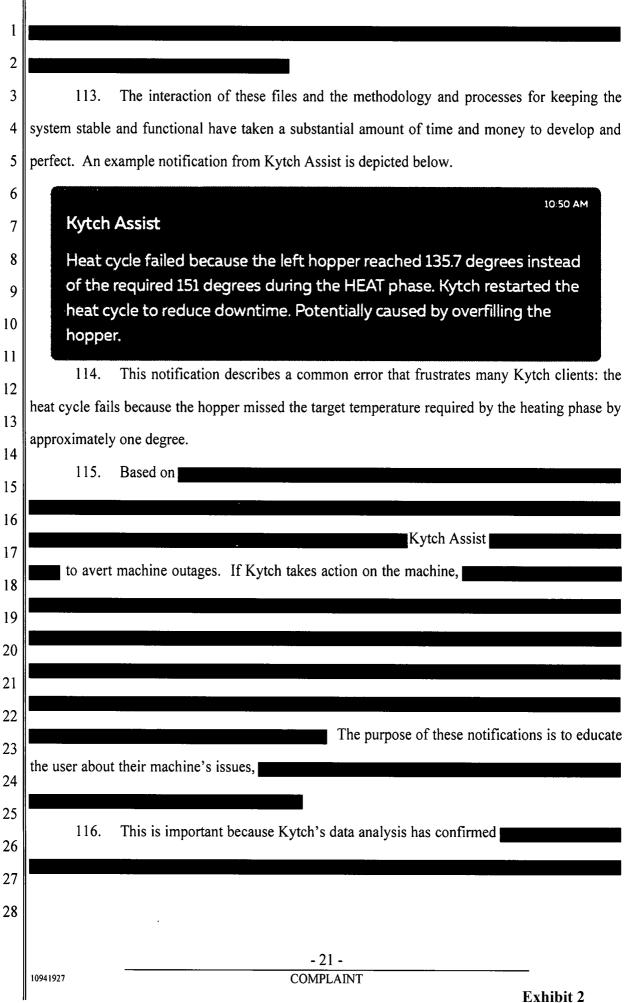
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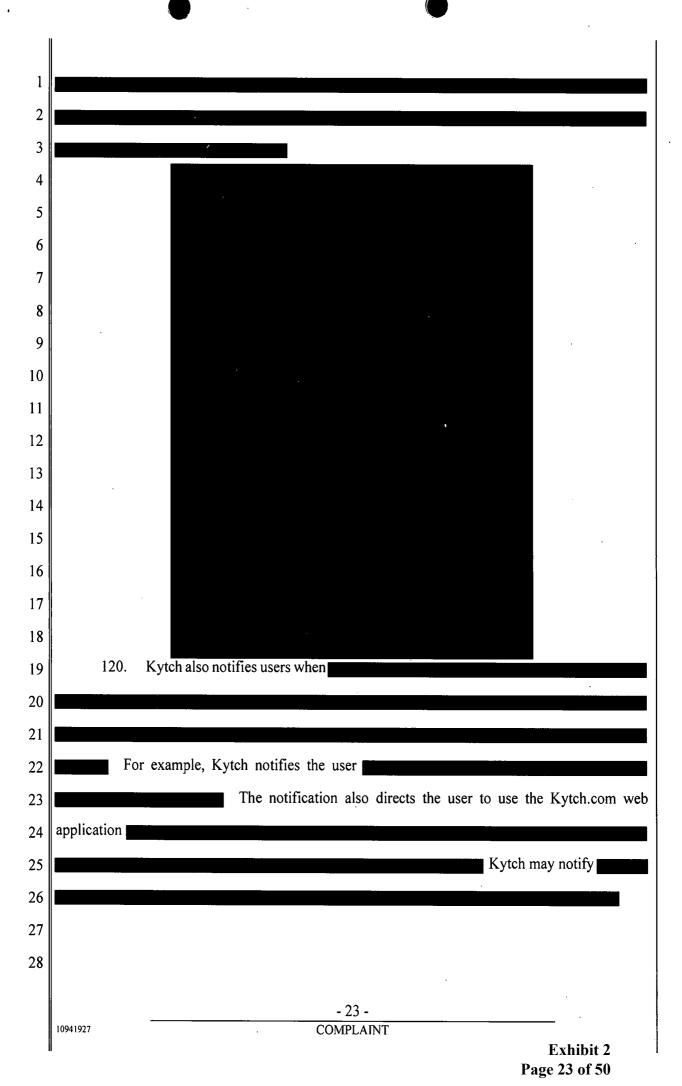
		Kytch informs customers
	97.	Kytch also sends productivity alerts
	- ·	
		Kytch sends a message to the user t
	98.	Kytch provides real-time alerts on
	99.	Kytch also provides informative warning alerts in order to prevent damage to the
mac	chine	
		The Kytch Online Platform & Notification System
	100.	Working in tandem with Kytch's data retrieval and data analytics systems, Kytch
pro	prietary a	and confidential online platform at www.Kytch.com ("Kytch Solution Platform"
pro	vides cust	omers with more ways to understand and interact with the soft-serve machines.
	101.	There is nothing like the Kytch Solution Platform on the market, and the ability of
con	npetitor to	access and observe in how the Kytch Solution Platform operates in real time would
allo	w a comp	petitor to obtain an extraordinary head start in the creation of a competitive device.
	102.	Kytch sends its customers daily reports regarding machine usage. One example
the	Servings	Summary, which contains the number of shakes and soft-serve products that we
pro	duced eac	ch day. This information can only be produced using the proprietary script used t
pro	grammati	cally open the menu employed by the Kytch Solution.
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downtime th	an waiting for an emp	loyee to get a	round to pressi	ng the button d	This means uring a lunch rus
117.	Additionally, Kytch	n's data captu	ire exposes wh	en employees r	nisuse the soft-s
machines. F	or example,				
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118.	Kytch notifies the	user,			
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the user			-		
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119.	ytch examines Kytch also notifies		rn customers		bility to
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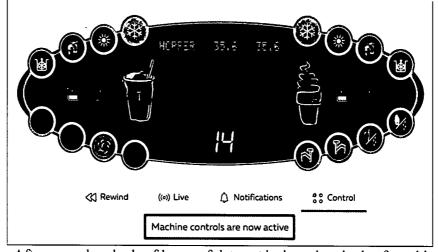


	121.		One	of	the	most	importar	t featu	res of	Kyto	h's	platfo	rm i	is the	Remote	Co	ntro)
applica	ation	anc	d int	erfa	ce.	This	permits	Kytch's	custo	mers	to a	access	Tay	lor's	machine	s ar	nd t	C
optimi	ze the	eir r	nach	ine	s ev	en wh	en they a	e not o	n site.									

- 122. The Remote Control creates a power shift because instead of relying on a network of Taylor technicians, one operator or in-house technician can now access all of their machines from one location.
- 123. Kytch's innovative solutions reduce franchisees' need to hire Taylor technicians by providing, for the first time, previously unavailable data and control mechanisms in the palm of each user's hand.
- 124. Kytch's Remote Control is designed to capture the front panel of the Taylor machines, and it allows users to quickly understand how to use the equipment. Kytch also provides

The image below

depicts the remote-control feature on Kytch's online platform.



125. After many hundreds of hours of data analysis on hundreds of machines, Kytch has determined that many of the issues with the machines can be corrected by using the controls and menu on the Taylor machine.

126. For example, thermistor probes measure temperatures within the machine, and Kytch discovered that

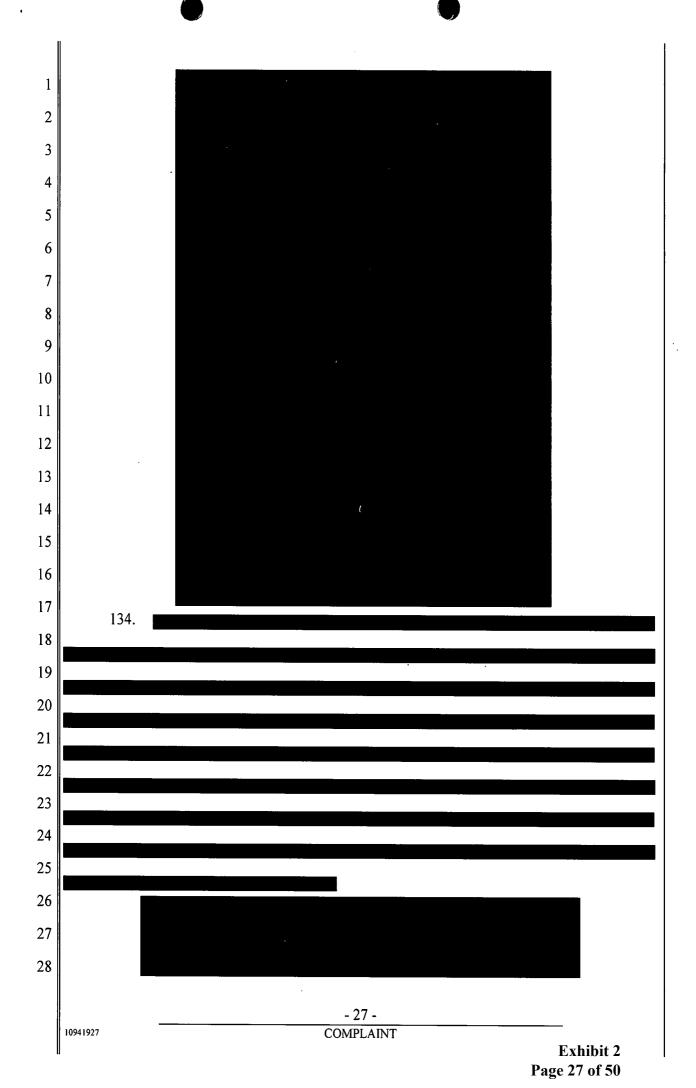
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2 3 127. Kytch also discovered a cryptic message, "E7," that displayed on the "brush clean" counter, because Taylor's software was unable to display a three-digit number. Kytch's software determined that "E7" indicates that 147 machine hours had passed since the freezer door was last 5 removed. However, despite this cryptic message, the machines continued to operate and serve 6 7 customers. In simple terms, this means that the machines were designed to serve ice cream without complying with the mandatory brush-cleaning schedules required by public health and safety 9 standards. 10 11 128. 12 13 14 15 129. 16 17 18 19 20 Customers often praise the proactive flagging of software bugs Kytch provides through Kytch's notification systems and data analytics. Additionally, Kytch tracks all temperatures 21 22 and alerts across each machine connected to our system. Because of the hundreds of devices on its network, Kytch can analyze the data and flag software errors within Taylor's product. 23 When Kytch uncovers common or disruptive bugs, it notifies its customers about the 24 131. issues, and it attempts to identify and implement automation features to counteract the errors. Kytch's ultimate goal was to create a stable software version that was direct-to-consumer and 26 27 included updates to eliminate these bugs. 28 - 25 -

COMPLAINT

1	132. One such error is
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8	133. Kytch flags this problem for its customers in advance, providing them with detailed
. 9	user-friendly instructions on how to fix the issue.
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	- 26 - 10941927 COMPLAINT
	Exhibit 2

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	<u>,</u>
1	135. Kytch's real-time notifications, sent via text and email, include mix alerts, Kytch
2	Health Alerts, alerts for heat cycle failures, downtime, weekly summaries, and issue-spotting alerts.
3	Kytch Health Alerts explain malfunctions and provides tips on how to address each issue.
4	136. Kytch also provides explanations for heat cycle failures
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6	Kytch sends
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10	137. One of Kytch's Weekly Summary notifications is depicted below. The weekly
11	summary email that appear
12	on the front panel of the machine.
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24	138. Through the Kytch.com platform, users are able to see
25	This information, alone, is incredibly valuable. And in
26	the aggregate, it enables Kytch to identify problems and potential issues long before Taylor and its
27	certified technicians.
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	- 28 -
	10941927 COMPLAINT
	Exhibit 2

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- Importantly, Kytch.com also allows customers to invite team members to manage 139. and navigate the online interface.
- The data Kytch has collected has enabled the company to perform market 140. assessments to anticipate shifting demands, to develop pricing strategies, to decide when and where to launch products, and it informs Kytch's investments in product development and new technologies.
- 141. Indeed, based on Kytch's robust data retrieval and analytics capabilities, Kytch possessed considerably more data about Taylor's machines, performance histories, and performance optimization than Taylor itself.

Taylor Tries to Intercept the Kytch Solution to Access Kytch's Trade Secrets.

- Kytch launched the Kytch Solution Device in April 2019. Taylor started making efforts to obtain the device almost immediately. The first attempt was made by Heather Jordan, Taylor's Distributor Technology Manager, who placed an online order to purchase the Kytch Solution via www.Kytch.com. Ms. Jordan listed Taylor's corporate address in Rockton, Illinois, as her shipping address.
- 143. Because Kytch's founders had worked with Taylor's management in the past—and because Kytch vets the orders placed on its website to block competitors trying to steal the company's valuable trade secrets and Confidential Information—Jeremy O'Sullivan emailed Ms. Jordan to obtain more information before approving the order.
 - 144. Kytch canceled the order when Ms. Jordan failed to respond.
- 145. The following month, a lawyer employed by Taylor's outside legal counsel Brinks Gilson attempted to purchase the Kytch Solution through Kytch's website. Kytch reviewed the order and canceled the purchase based on the connection to Taylor, and because Kytch is resolved to keep confidential its trade secrets and related Confidential Information.
- 146. After these two attempts were not successful, at least two private investigators who, upon information and belief, were also acting on behalf of Taylor—used assumed names to try to purchase the Kytch Solution Device several more times.

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Kytch's security precautions flagged and thwarted these initial attempts from Taylor 147. and its confederates to obtain the Kytch Solution. But these efforts to obtain Kytch's intellectual property provide further evidence that Kytch's innovative product has substantial economic value.

The Kytch Trial Expands to McDonald's in Fall 2019.

- 148. Kytch customers were overjoyed to see their volatile Taylor machines modernized. Customer goodwill grew as Kytch reduced the cost of ownership by minimizing Taylor repair costs. Franchise operators reported increased revenue from their frozen offerings, and Kytch continued to spread like wildfire.
- 149. As explained above, the iterative nature of Kytch's innovations made the Kytch Solution smarter as it gathered more data about Taylor's machines. This means that with more runtime, the Kytch Solution becomes more efficient at reducing downtime and associated service costs.
- 150. Kytch spread to McDonald's in the fall of 2019. In October of that year, Kytch was featured at the National Owners Association conference in Dallas, Texas, and it showcased the Kytch Solution in front of the largest association of independent U.S. McDonald's franchise operators.
- These independent franchisees control and operate several trade organizations, 151. including the NSLC. The NSLC collaborates with McDonald's supply chain leadership and its "Equipment Team"—led by Tyler Gamble—provides valuable insight to McDonald's concerning product innovations to integrate into McDonald's system.
- One of the key focus areas for the Equipment Team is to identify solutions for McDonald's soft-serve machine problem through the "McFlurry Task Force," also known as the "Shake Machine Reliability Project."
- 153. Kytch would learn that several of its trial participants had top positions within the NSLC, including the NSLC Chair and Vice Chair Jon Kelley and Eric Wilson, NSLC Equipment Team Lead Tyler Gamble, NSLC Competitive Advantage Team Lead Larry Miller, and Logistics Team Lead Laura Bucar.

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- Despite enrolling numerous independent McDonald's franchisees in 2019 and 2020, Kytch prohibited corporate-owned-and-operated McDonald's locations from signing up for the Because Kytch did not have a non-disclosure agreement in place with McDonald's Corp., the corporate-owned locations lacked the localized authority to enter into the Kytch Trial Agreement.
- As a result, some McDonald's representatives tried to circumvent Kytch's security by obscuring the fact that they worked at corporate-owned locations. McDonald's Corp.'s Regional Deployment Manager Michael Cousins emailed Kytch saying that he was "[i]nterested in the
- A short time later, McDonald's Operations Technology Professional Josh Drake attempted to enroll in the Kytch Trial, and he did not disclose that he was employed by McDonald's Corp. or that he was trying to obtain devices on behalf of McDonald's Corp.
- 157. Kytch denied his application after determining the stores in Drake's application were corporate-owned McDonald's locations.
- 158. In all, Kytch rejected approximately 40 corporate-owned McDonald's locations that attempted to enroll in the Kytch Trial.

Tyler Gamble Infiltrates Kytch's Product Trial.

- 159. By 2020, McDonald's franchise operators enrolled in the Kytch Trial to test the Kytch Solution at restaurants in Arkansas, California, Connecticut, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Washington, and Wisconsin.
- 160. As a result of this massive expansion, Kytch is informed and believes that it became the largest independent IOT/connectivity software vendor for the shake machine in the McDonald's system. By all appearances, the Kytch Solution was a viable remedy to many of the problems that had troubled Taylor soft-serve machines and frustrated customers for years.
 - 161. In February 2020, news outlets reported on Kytch's success.

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TEST OF THE McDonald's ice cream machines may never break down on you again – thanks to new machine

Feb 12 2020, 19:42 ET I Updated: Feb 12 2020, 23:07 ET

New device may prevent McDonald's ice cream machines from breaking

By WWAY News - February 12, 2020 11:28 AM

McDonald's and Burger King franchisees are raving about a new device that can update their notoriously broken soft-serve machines

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A New Device Promises to Keep McFlurry Machines Up and Running

Already popping up in some restaurants, Kytch is hoping to end the scourge of broken down McDonald's soft-serve machines.

By Mike Pomranz Updated February 13, 2020

- 162. After the first of these news reports were published, Tyler Gamble sent a message to Kytch, expressing interest in enrolling in the product trial: "I'm a McDonald's owner and am the Equipment team lead for the U.S. I'm seeing lots of buzz about your equipment and would like to speak with someone to better understand its possible use in our restaurants."
- 163. Because Taylor was unable to obtain the Kytch Solution through its employees, its lawyers, or its private investigators, Kytch is informed and believes that Taylor worked with McDonald's franchisees, including Tyler Gamble, to infiltrate the Kytch Trial.
- 164. A short time later, Kytch CEO Jeremy O'Sullivan had a conversation with Gamble and Eric Wilson, NSLC's Vice Chair and prior McDonald's Equipment Team Lead.
- 165. During this conversation, Gamble said he was familiar with Kytch's ability to navigate, search and fine-tune the inner workings of Taylor's machines. Gamble, along with NSLC Chair and Vice Chair Jon Kelley and Eric Wilson participated in the Kytch Trial a short time later.
- 166. Tyler Gamble was eager to obtain the Kytch Solution. Gamble also offered to serve as the liaison between Kytch and the fast-food giant, promising to solidify Kytch's relationship with McDonald's.

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Tyler Gamble **NSLC Equipment Team Lead**

Eric Wilson NSLC Vice Chair

Jon Kelley **NSLC Chair**

It appeared, early on, that Gamble was making good on his promises to promote Kytch. He said that he was serving as a go-between for Kytch with McDonald's corporate, and he said that he wanted to help the company expand to more McDonald's locations.

Gamble Breaches the Kytch Trial Agreement by Sharing Confidential Information with Taylor's Distributor and Misappropriating Trade Secrets.

- 168. In conversations with Kytch, Gamble endorsed Kytch's innovative technology, and he appeared to be a promising partner for the fast-growing start-up.
- By the fall of 2020, Gamble had promised Kytch that he would recommend the Kytch 169. Solution to every McDonald's franchise operator in the United States.
- 170. But on October 19, 2020, Tyler Gamble sent a peculiar message to Jeremy O'Sullivan about Kytch's Remote Control capabilities. Gamble asked whether there was "a way to ensure that no one using the Kytch device remotely accesses the machine while a technician may be working on it? This is a big concern with M[cDonald's] H[ead]Q[uarters]."
- O'Sullivan explained the "layers of protection" that guard against this concern: "first, the machine should be powered off and unplugged before any work is started. This is standard safety for any equipment." O'Sullivan continued. "Second, there's a sensor on the freezer door, [so] that when the freezer door is removed [it] prevents the motor from turning on. Third, we do have a mechanism in place that disables any automation when a user takes control of the front panel by pressing any buttons."
- O'Sullivan closed by explaining that the Kytch Solution "has been tested and certified for safety to UL standards by Intertek labs."
 - Gamble replied: "Thanks!" 173.

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174.	O'Sullivan	also	shared	a	video	explaining	that	the	Kytch	Solution's	protocols
protected agai	nst this "safe	ty iss	sue."								

175. Taylor and McDonald's subsequently announced Taylor and Gamble's Equipment Team were preparing to release "Taylor Shake Sundae Connectivity (TSSC)." According to the description, TSSC would be released in Q1 2021, and TSSC's product offered features that map to Kytch's.¹²

Taylor Shake Sundae Connectivity & Kytch Technology Update



McDonald's US Equipment Team, in partnership with NSLC, has been developing a strategic connectivity solution with Taylor for their Shake Sundae machine. The solution will allow operators to receive text updates when their machine is down, view number of products dispensed, and get other information to keep the machine running in optimal condition. The Taylor Shake Sundae Connectivity (TSSC) is currently in the test with MSLC operators and the current target for release to the US market by the end of Q1, 2021.

- 176. Kytch would later learn that Tyler Gamble had been using the Kytch Solution to assist the Taylor Group.
- 177. Kytch recently discovered that Tyler Gamble violated the Kytch Trial Agreement by sharing the Kytch Solution Device and Platform to unauthorized third parties, specifically, TFGroup LLC.
- 178. TFGroup LLC is a franchised servicer and distributor for Taylor and its machines. On its LinkedIn page, TFGroup LLC describes itself as "[a] leader in the foodservice equipment segment, TFGroup utilizes analytical advances to ensure speed of service, reduction of equipment downtime and labor savings."¹³

13 "TFGROUP EXPANDING TAYLOR BRAND INTO ARKANSAS AND N. LOUISIANA MARKETS," LinkedIn, April 16, 2021,

https://www.linkedin.com/posts/tfgcompanies_tfgroup-expanding-taylor-brand-into-arkansas-activity-6788613873491603456-1Zam.

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¹² Upon information and belief, TSSC later became "Open Kitchen," a device developed by Taylor affiliate Powerhouse Dynamics. Both companies are owned by Middleby Corporation.

Kytch device" from one of Kytch's trial participant's stores. Upon information and belief, this "Tennessee distributor" is TFGroup LLC, and the trial participant is Tyler Gamble.

186. A short time after disconnecting the Brownsville Kytch Solution Device, Tyler Gamble invited someone named "Matt Wilson," using the telephone number for Blaine Martin, who serves as TFGroup LLC's Managing Partner, to access Kytch. Upon information and belief, the registered name "Matt Wilson" may be an alias or an attempt to obscure the fact that Blaine Martin is associated with the unauthorized account access.

187. This account tied to TFGroup LLC obtained access to Kytch's Confidential Information and trade secrets through the Kytch Solution Device and Platform. This includes access to all historic notifications, the Remote Control—and ultimately Kytch Rewind—using Gamble's account. The data Gamble allowed the Taylor Group to Access is attached as **Exhibit B** and the information represented by these data is attached as **Exhibit C**, all of which was generated and is contained on the Kytch Solution Platform. It would have taken years, millions of dollars, and a vast trial program for Gamble or the Taylor Group to obtain these data.

- 188. Kytch has forensically confirmed that the fake account associated with the Taylor Group was used to access the Kytch Solution Platform on multiple occasions and the unauthorized access from the TFGroup LLC account continued through January 17, 2021.
- 189. Kytch's investigation also determined that Gamble unlawfully invited Mike Zagorski to access Kytch's trade secrets and Confidential Information. The invitation was sent from Gamble's account and it says "Kytch invite for Gamble."

Send invitation

Kytch will send an email inviting Mike to add this home to their Kytch Account.

mike_zagorskt@us_mod.com

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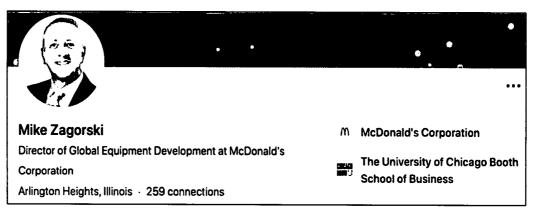
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190. Mike Zagorski is the Director of Global Equipment Development at McDonald's Corp. and Kytch did not authorize Gamble to invite Zagorski to access Kytch's interface. Kytch's investigation has not uncovered evidence that Mr. Zagorski accepted the invitation.



- On January 29, 2021, right around the time they were contacted about another 191. Business Insider article covering Kytch, Tyler Gamble and his father Jeff Gamble both logged in to the Kytch Platform and deleted the users (including Blaine Martin and william_p@eplus.net) that they had invited to access Kytch's trade secret information.
- 192. Despite registering his Kytch devices for use in Tennessee and Mississippi, Kytch's forensic records confirm that the Kytch Solutions Gamble ordered have been accessed—likely by Taylor Group—in Little Rock, Arkansas; Ponchatoula, Louisiana; and New Orleans, Louisiana.
- By using the Kytch Solution at these unauthorized locations, Gamble breached the Kytch Trial Agreement.
- 194. While contractually partnering with Kytch, Gamble was, in fact, stealing Kytch's Confidential Information and trade secrets in the marketplace and passing them to Taylor Group.

Taylor Group Misappropriates Kytch's Trade Secrets.

195. After Taylor's distributor TFGroup LLC gained access to Kytch's trade secrets and Confidential Information, Kytch is informed and believes that Taylor benefitted from the misappropriation of trade secrets because TFGroup shared the information with Taylor. Taylor Group knew that the information was subject to secrecy agreements and, Kytch is informed and believes, Taylor Group induced Tyler Gamble to breach his secrecy obligations to gain access to Kytch's confidential information and trade secrets.

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196. Once its distributor had obtained the Kytch Solution Device, Taylor targeted Kytch's customers—who Taylor knew to be bound by NDAs—and induced them to enroll in Taylor's product trial. Specifically, according to Taylor's own statements, the McDonald's Equipment Team was developing Taylor's competing product. Three of Kytch's customers have served on the Equipment Team: David Balducci, Eric Wilson, and Tyler Gamble. Additionally, Jon Kelleyanother Kytch customer who oversees the equipment team—is also testing Taylor's competing product.

- 197. Separately, Kytch's investigation revealed more suspicious activities from trial participants connected to McDonald's NSLC. Sellia Group executed the Kytch Trial Agreement on August 17, 2020, and it operates 18 locations in Massachusetts and Rhode Island, not far from the headquarters of Powerhouse Dynamics.
- 198. David Balducci works through the Sellia Group, and they are members of McDonald's Equipment Team.
- On March 20, 2021, Sellia Group's Kytch account was accessed from the Chicago, 199. Illinois, and the Bronx, New York, using a VPN, before logging in from Milford, Massachusetts, the area where the account was registered.
 - On November 1, 2020, Kytch sent the following message to Gamble. 200.

Kytch would later learn that TFGroup had access to Tyler Gamble's account and, thus, this message. Taylor Group knew that Kytch's operating system "KytchOS" presented an existential threat to Taylor's service and repair scheme.

202. TFGroup is a distributor for Taylor, but Taylor maintains control over software development and updates related to the machines. Kytch is informed and believes that TFGroup was, at all times, working in concert with Taylor to misappropriate Kytch's trade secrets.

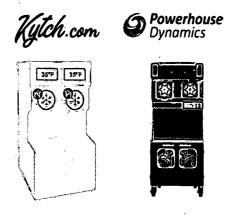
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	203.	Potential investors and customers alike have pointed to Taylor's conduct as a primary
basis f	or why	they will not invest in Kytch. Kytch's communications with at least one investor—
Benhai	nou Glo	obal Ventures—stalled after news of Taylor's misconduct became public.

204. And one of Kytch's most trusted advisors—Narbeh Derhacobian—was forced to pull back conversations with other investors based on the uncertainty flowing from Defendants' misappropriation of trade secrets.

Taylor's Competing Product Is Markedly Similar to the Kytch Solution.

- 205. Although initial reports indicated that Taylor would be releasing its Taylor Shake Sundae Connectivity ("TSSC") in Q1 of 2021, the device has not yet been released.
- 206. Upon information and belief, the TSSC product is being rolled out through a Taylor-affiliate entity called Powerhouse Dynamics and its "Open Kitchen" concept.
- 207. In January of 2021, Powerhouse Dynamics released images of the new device, and its offerings and trade dress is similar to the machine depicted in a Kytch user-video that was released years earlier:
- 208. Specifically, of the hundreds of device functions within the respective products, the three functions Powerhouse Dynamics decided to animate in its marketing materials are identical to the functions depicted in Kytch's rendering.
- 209. The rendering from Powerhouse Dynamics bears a striking resemblance to Kytch's earlier drawing.



	Syrup Heater	Hopper Temp.	Machine Mode
Kytch	6 6	35°F 35°F	(f) (f)
Powerhouse Dynamics		• ′	

210. Additionally, although the competing device from Powerhouse Dynamics has not yet been released, information about the product that is publicly available demonstrates that all of the features in the Powerhouse Dynamics device are already within Kytch's product offerings.

Features	Kytch.com	O Powerhouse Dynamics
Servings Reports	✓	✓
Real-Time Text Alerts	✓	✓
Machine Status Updates	✓	✓
Machine History	✓	✓

- Powerhouse Dynamics's product offers servings reports which resemble Kytch's method for programmatically opening the menu to retrieve the data at a specified time each day, saving the data, and displaying the data on a website or email notification.
- Much like the Kytch Solution's Rewind feature, Powerhouse Dynamics offers a visual representation of the machine's time on various modes.
- Powerhouse Dynamics also offers real time alerts via text message on soft and hard locks presented on the front panel of the machine. Kytch's innovations involve reading messages on the screen and sending real-time alerts regarding those messages.
- 214. In its current form, the Taylor machine is incapable of connecting to the internet. Therefore, Powerhouse is likely adding a computing module (raspberry pi or the like) that has wifi capabilities. Just like the Kytch Solution.
- Powerhouse Dynamics's version of Kytch references all of Kytch's landmark 215. features, its design, and several components that were subject to binding non-disclosure agreements and that were not publicly available.
- The fact that Powerhouse Dynamics graphics highlight the display of the hopper temperatures provides further evidence of overlap from Kytch's earlier offering. Displaying hopper

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1	temperatures is <i>not</i> permissible in the default setting of the Taylor machines. Indeed, the display of
2	hopper temperatures deviates from Taylor service manuals. Kytch's innovation was delivering its
3	users information related to hopper temperatures, and this fact was only shared as Confidential
4	Information to trial participants.
5	217. Finally, Powerhouse Dynamics's website indicates that the competing device is
6	being tried out with McDonald's franchise operator and Equipment Team co-lead Louis Buono, Jr.
7	FIRST CAUSE OF ACTION
8	Breach of Written Contract
9	(Gamble)
10	218. Kytch incorporates all of the above paragraphs as though fully set forth herein.
11	219. The Kytch Trial Agreement was a valid and existing contract at all times during and
12	after Gamble's involvement with Kytch and imposed binding contractual obligations on Gamble at
13	all relevant times and as a condition of Gamble's participation in the Trial.
14	220. The Kytch Trial Agreement also contains the following confidentiality undertaking:
15	"You agree, both during the term of this Agreement and for a period of five years after termination
16	of this Agreement, to hold Kytch's Confidential Information in strict confidence using no less than
17	a reasonable degree of care, not to disclose Kytch Confidential Information to any third party (other
18	than your users) and not to use Kytch Confidential Information for any purpose other than your
19	evaluation of the Solution as part of the Trial."
20	221. The Agreement defines "Confidential Information" as "aspects of [Kytch's] Products
21	and information relating to its features, specifications, functionality and performance." Gamble
22	breached this clause by: (a) participating in the development of the competing Taylor Group device
23	known as TSSC/Open Kitchen; (b) assisting in the disassembly, reverse engineering, and
24	distribution of at least the Brownsville Kytch Solution Device; (c) granting the Taylor Group, and
25	potentially others, access to the Kytch Solution Platform.
26	222. The Kytch Trial Agreements further prohibits Gamble from taking any of the
27	following actions:
28	"You shall not, and shall not cause or permit others to:

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COMPLAINT

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22	"Proprietary
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•	remove or modify any Solution markings or any notice of Kytch's or its licensors
	proprietary rights;

- modify, make derivative works of, disassemble, reverse compile, reverse engineer, reproduce, distribute or republish all or any part of the Solution, or otherwise access or use the Solution in order to build or support, and/or assist a third party in building or supporting, products or services competitive to any Kytch Solution;
- disclose results of any benchmark tests or performance tests of the Kytch Solution without Kytch's prior written consent;
- perform or disclose any of the following security testing of the Solution (or associated systems, services or infrastructure): network discovery, port and service identification, vulnerability scanning, password cracking, remote access testing, or penetration testing; and
- license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the Kytch Solution available to (or use such Solution for the benefit of) any third party."
- 223. Gamble breached this clause by: (a) participating in the development of the competing Taylor Group device known as TSSC/Open Kitchen; (b) assisting in the disassembly, reverse engineering and distribution of at least the Brownsville Kytch Solution Device; and (c) granting the Taylor Group, and potentially others, access to the Kytch Solution Platform.
- 224. Upon information and belief, Gamble improperly took and continues to retain Kytch "Proprietary Information" to develop products and to otherwise compete against Kytch.
- 225. Upon information and belief, Gamble and his company improperly took and continue to retain Kytch's Confidential Information for the additional purpose of enriching themselves in breach of the Kytch Trial Agreement.
- 226. Kytch is entitled to recover from Gamble the damages he caused by breaching the Kytch Trial Agreement and the Terms of Service.

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- 227. The amount of such damages cannot be determined at this time but will be proven at trial. Kytch is further entitled to recover from Gamble the gains, profits, and advantages that Gamble obtained as a result of these breaches. Kytch is currently unable to ascertain the full extent of these gains, profits, and advantages but will prove the value thereof at trial.
- 228. Kytch is informed and believes that Gamble is continuing to breach the Kytch Trial Agreement.
- 229. By reason of the ongoing breaches, Kytch has and will suffer great and irreparable harm and damage, which harm and damage will be difficult to ascertain, and Kytch will be without an adequate remedy at law.
- 230. Gamble acknowledged in the Terms of Service contract that: "Kytch may seek injunctive or other equitable relief to protect its confidential information and intellectual property rights or to prevent loss of data or damage to its servers in any court of competent jurisdiction and You agree that Kytch may do so without the need to post bond or other surety."
- 231. Kytch's ability to provide comprehensive explanations of the machines' errors is made possible through years of product testing and through hundreds of machines connected to Kytch's platform. The data yield from these interactions provides Kytch a competitive advantage because Kytch was testing and evaluating Taylor's machines to a greater extent than Taylor, even before the trials expanded to McDonald's locations.
- Kytch has flagged defects and bugs with Taylor's software, including the daylight savings bug that causes heat cycle failure, a software version that makes the barrels too cold and causes interruptions of functionality, and the tendency of the machines' heat cycle target temperatures to change on a nightly basis.
- 233. Maintaining this information as confidential is essential to Kytch's ability to compete in the market of IoT technology. These fields are characterized by rapid technological advances and intense competition. If a competitor were to obtain details about Kytch's technology or related commercial information, that competitor could significantly harm Kytch by using Kytch's own technology, know-how, and other details about these products to compete directly with Kytch without having to spend the capital or time that Kytch invested in developing such technologies.

	234.	If	Kytch's	competitors	continue	to	obtain	access	to	Kytch's	Confid	ential
nforma	ation, t	hose	e compet	itors will bene	efit signific	cant	ly from	the know	wled	lge gained	l througl	n that
ccess l	oy direc	cting	g their pr	oduct develop	ment and m	nark	eting eff	orts to fr	ustr	ate Kytch	's plans.	This
trategi	c advai	ntag	e to Kyto	ch's competito	rs could, in	ı tur	n, sever	ely harm	Ку	tch.		

- 235. Kytch's research and development is conducted under rigorous conditions to maintain the secrecy of those activities and the products themselves. Kytch carefully controls all information relating to these projects. The Kytch development teams expend substantial time and energy to ensure that the process remains secret. Further, Kytch has spent multiple years working on secret products and methods that have never been discussed publicly.
- 236. The information and physical devices misappropriated by Defendants are comprised of confidential information about Kytch technology, its online interface and security processes, and confidential Kytch documentation. All of this material comprises Kytch trade secrets. In violation of Kytch's rights, the Defendants misappropriated Kytch's confidential information in the improper and unlawful manner as alleged herein.
- 237. Defendants' misappropriation of Kytch's confidential, proprietary, and trade secret information was intentional, knowing, willful, malicious, fraudulent, and oppressive. Defendants have attempted and continue to attempt to conceal their misappropriation.
- 238. As the direct and proximate result of Defendants' conduct, Kytch has suffered and, unless Defendants' conduct is stopped, will continue to suffer, severe competitive harm, irreparable injury, and significant damages, in an amount to be proven at trial.
- 239. Because Kytch's remedy at law is inadequate, Kytch seeks, in addition to damages, temporary, preliminary, and permanent injunctive relief to recover and protect its confidential, proprietary, and trade secret information and to protect other legitimate business interests. Kytch's business operates in a competitive market and will continue suffering irreparable harm absent injunctive relief.

SECOND CAUSE OF ACTION

Tortious Interference of Contract
(Taylor Group)

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1	240. Kytch incorporate
2	241. On March 19, 202
3	whereby, in exchange for Gambl
4	provide its trade secrets and Con
5	Kytch Solution Platform—to Gai
6	242. Taylor Group had
7	his participation in Kytch's produ
8	with Taylor Group.
9	243. Taylor Group acte
10	Kytch Trial Agreement by provid
11	244. Taylor Group pus
12	influence within McDonald's to
13	intentional actions caused Kytch
14	with Gamble, caused Kytch's per
15	Taylor Group's misconduct has r
16	245. Taylor Group's in

240	Kytch incorporates	all of the above	naragraphe as though	h fully set forth hereir
40 .	Nyton incorporates	an of the above	Daragradus as inougi	n fully set forth hereir

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- 20, Kytch and Gamble entered into a valid and binding contract e's covenants of nondisclosure and secrecy, Kytch agreed to fidential Information—including Kytch Solution Device and mble to use for the sole purpose of furthering the Kytch Trial.
- knowledge of the contract as Tyler Gamble publicly discussed uct trial, and upon information and belief, discussed the same
- ed intentionally to interfere with and induce Gamble to breach the ding it with access to the Kytch Solution Device and Platform.
- hed Gamble to breach the Kytch Trial Agreement, using their encourage Gamble, a McDonald's franchisee. Taylor Group's considerable damage by disrupting its contractual relationship rformance under the contract more expensive and difficult, and esulted in the breach of the Kytch Trial Agreement.
- tentional actions caused Kytch substantial damage by disrupting its contractual relationship with Gamble, allowing the Taylor Group to launch a competing device and driving investors away from Kytch.
- As a direct and proximate result of Taylor Group's actions, Kytch has suffered severe and substantial economic harm.

THIRD CAUSE OF ACTION

Violation of California Uniform Trade Secrets Act

- 247. Kytch incorporates all of the above paragraphs as though fully set forth herein.
- 248. The Kytch Solution's proprietary design and software, as alleged in Paragraphs 21, 60, 79, 80, 83, 84, 86, 89, 91, 91-99, 102, 103, 105, 106, 108, 109, 112, 115-120, 124, 126-129, 132-134, 136-138, 181, and 200 above, and the Declaration of Melissa Nelson at Exhibits 1, 2, 7, and at Paragraphs 17, 18, 21, 23, 24, 27, 30, 31, 33, 34, 36, 39, 41, 42, 44, 45, 48, 51-60, 63-65, 69,

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73, 75, 77-79, 82, 116, and 132 constitute trade secrets under the California Uniform Trade Secrets Act.

- 249. Kytch is informed and believes that Gamble provided a Kytch Solution Device and access to the Kytch Solution Platform to the Taylor Group for at least eight months, during which time Kytch's trade secrets were misappropriated.
- 250. Kytch has not disclosed its trade secret information and the information has actual or potential independent economic value from not being generally known to the public or other persons who could obtain economic value from their disclosure or use.
- Kytch has undertaken efforts that are reasonable under the circumstances to maintain the secrecy of the trade secrets at issue.
- 252. Defendants knew or should have known under the circumstances that the information misappropriated by Defendants were confidential trade secret materials.
- 253. Defendants knew or should have known under the circumstances that the information misappropriated by Defendants were trade secret materials.
- 254. The California Uniform Trade Secrets Act ("CUTSA") prohibits the unfair competition—and associated irreparable harm to business interests—that is caused by product trial participants improperly using or disclosing documents, information, inventions, and business strategies that require substantial investment, innovation, and countless hours to develop.
- Gamble has misappropriated Kytch Trade Secrets by: (1) using the Kytch Solution Device and the Kytch Solution Platform in the development of TSSC/Open Kitchen; (2) allowing the Taylor Group to access, use and reverse engineer the Brownsville Kytch Solution Device; (3) allowing the Taylor Group full access to the Kytch Solution Platform over an extended period of time; and (4) giving a McDonald's executive access to the Kytch Solution Platform over an extended period of time.
- 256. The Taylor Group has misappropriated Kytch Trade Secrets by: (1) using the Kytch Solution Device and the Kytch Solution Platform in the development of TSSC/Open Kitchen; (2) accessing, using, and reverse engineering the Brownsville Kytch Solution Device; and (3) accessing over an extended period of time the Kytch Solution Platform.

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irreparable harm absent injunctive relief.

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1	257. As a direct and proximate result of Defendants' conduct, Kytch is threatened with
2	injury and has been injured in an amount in excess of the jurisdictional minimum of this Court, and
3	
	that will be proven at trial.
4	258. Kytch has also incurred, and will continue to incur, additional damages, costs and
5	expenses, including attorney's fees, as a result of Defendants' misappropriation. As a further
6	proximate result of the misappropriation and use of Kytch's trade secrets, Defendants were unjustly
7	enriched.
8	259. The aforementioned acts of Defendants were willful, malicious, and fraudulent.
9	Kytch is therefore entitled to exemplary damages under California Civil Code § 3426.3(c).
10	Defendants' conduct constitutes transgressions of a continuing nature for which Kytch has no
11	adequate remedy at law.
12	260. Unless and until enjoined and restrained by order of this Court, Defendants will
13	continue to retain and use Kytch's trade secret information to enrich themselves and divert business
14	from Kytch. Pursuant to California Civil Code § 3426.2, Kytch is entitled to an injunction against
15	the misappropriation and continued threatened misappropriation of trade secrets as alleged herein
16	and further asks the Court to restrain Defendants from using all trade secret information
17	misappropriated from Kytch and to return all trade secret information to the company.
18	261. Pursuant to California Civil Code § 3426.4 and related law, Kytch is entitled to an
19	award of attorneys' fees for Defendants' misappropriation of trade secrets.
20	262. As the direct and proximate result of Defendants' conduct, Kytch has suffered and,
21	if Defendants' conduct is not stopped, will continue to suffer, severe competitive harm, irreparable
22	injury, and significant damages, in an amount to be proven at trial.
23	263. Because Kytch's remedy at law is inadequate, Kytch seeks, in addition to damages,
24	temporary, preliminary, and permanent injunctive relief to recover and protect its confidential,
25	proprietary, and trade secret information and to protect other legitimate business interests.
26	264. Kytch's business operates in a competitive market and will continue suffering

1	Dated:	May 7, 2021	IRELL & MANELLA LLP
2	:		·
3			By: <u>/s/ Jason Sheasby</u> Jason Sheasby SBN 205455 Attorneys for Plaintiff Kytch, Inc.
5			CLARE LOCKE LLP
6			Elizabeth M. Locke, P.C.,* VA Bar No. 71784 Daniel P. Watkins * VA Bar No. 84592
7			Appearance Pro Hac Vice to Be Filed Attorneys for Plaintiff Kytch, Inc.
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